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## ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1374

State of Washington 63rd Legislature 2013 Regular Session

**By** House Appropriations (originally sponsored by Representatives Morris and Fey)

READ FIRST TIME 03/01/13.

- AN ACT Relating to the energy facility site evaluation council; amending RCW 80.50.010, 80.50.040, 80.50.045, 80.50.060, 80.50.071, 80.50.075, 80.50.085, 80.50.100, 80.50.105, 80.50.110, and 80.50.120; reenacting and amending RCW 80.50.020 and 80.50.030; adding new sections to chapter 80.50 RCW; adding a new section to chapter 43.21C RCW; and repealing RCW 80.50.080, 80.50.090, and 80.50.320.
- 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 8 **Sec. 1.** RCW 80.50.010 and 2001 c 214 s 1 are each amended to read 9 as follows:
- The legislature finds that the present and predicted growth in 10 energy demands in the state of Washington requires the development of 11 a procedure for the selection and utilization of sites for energy 12 facilities and the identification of a state position with respect to 13 ((each)) the proposed site. 14 The legislature also finds that there is 15 a critical need for infrastructure to ensure the safe and reliable 16 operations of electrical generation and energy transmission systems in Washington and the region. The legislature recognizes that the 17 selection of sites will have a significant impact upon the welfare of 18

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the population, the location and growth of industry and the use of the natural resources of the state.

It is the policy of the state of Washington to recognize the ((pressing)) need for increased energy facilities, and to ensure through available and reasonable methods, that the location and operation of ((such)) facilities will produce minimal adverse effects on the environment, ecology of the land and its wildlife, and the ecology of state waters and their aquatic life.

It is the intent to seek courses of action that will balance the increasing demands for energy facility location and operation in conjunction with the broad interests of the public. Such action will be based on these premises:

- (1) To assure Washington state citizens that, where applicable, operational safeguards are at least as stringent as the criteria established by the federal government and are technically sufficient for their welfare and protection.
- (2) To preserve and protect the quality of the environment; to enhance the public's opportunity to enjoy the esthetic and recreational benefits of the air, water and land resources; to promote air cleanliness; and to pursue beneficial changes in the environment.
  - (3) ((To provide abundant energy at reasonable cost.
- (4))) To avoid costs of complete site restoration and demolition of improvements and infrastructure at unfinished nuclear energy sites, and to use unfinished nuclear energy facilities for public uses, including economic development, under the regulatory and management control of local governments and port districts.
- (((5))) (4) To avoid costly duplication in the siting process and ensure that decisions are made timely and without unnecessary delay.
- 29 Sec. 2. RCW 80.50.020 and 2010 c 152 s 1 are each reenacted and 30 amended to read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- (1) "Alternative energy resource" includes energy facilities of the following types: (a) Wind; (b) solar energy; (c) geothermal energy; (d) landfill gas; (e) wave or tidal action; ((or)) (f) energy storage; or (g) biomass energy based on solid organic fuels from wood, forest,

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or field residues, or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic.

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- (2) "Applicant" means any person who makes application for a site certification pursuant to the provisions of this chapter.
- (3) "Application" means any request for approval of a particular site or sites filed in accordance with the procedures established pursuant to this chapter, unless the context otherwise requires.
- (4) "Associated facilities" means storage, transmission, handling, or other related and supporting facilities connecting an energy plant with the existing energy supply, processing, or distribution system, including, but not limited to, communications, controls, mobilizing or maintenance equipment, instrumentation, and other types of ancillary transmission equipment, off-line storage or venting required for efficient operation or safety of the transmission system and overhead, and surface or subsurface lines of physical access for the inspection, maintenance, and safe operations of the transmission facility and new transmission lines constructed to operate at nominal voltages of at least 115,000 volts to connect a thermal power plant or alternative energy facilities to the northwest power grid. However, common carrier railroads or motor vehicles shall not be included.
- (5) "Biofuel" has the same meaning as defined in RCW 43.325.010.
  - (6) "Certification" means a binding agreement between an applicant and the state which shall embody compliance to the siting <u>standards and</u> guidelines, in effect as of the date of certification, which have been adopted pursuant to RCW 80.50.040 as now or hereafter amended as conditions to be met prior to or concurrent with the construction or operation of any energy facility.
  - (7) "Construction" means on-site improvements, excluding exploratory work, which cost in excess of two hundred fifty thousand dollars.
- (8) "Council" means the energy facility site evaluation council created by RCW 80.50.030.
- (9) "Counsel for the environment" means an assistant attorney general or a special assistant attorney general who shall represent the public ((in accordance with RCW 80.50.080)).
- 37 (10) "Electrical transmission facilities" means electrical power 38 lines and related equipment.

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- 1 (11) "Energy facility" means an energy plant or transmission 2 facilities: PROVIDED, That the following are excluded from the 3 provisions of this chapter:
  - (a) Facilities for the extraction, conversion, transmission or storage of water, other than water specifically consumed or discharged by energy production or conversion for energy purposes; and
  - (b) Facilities operated by and for the armed services for military purposes or by other federal authority for the national defense.
  - (12) "Energy plant" means the following facilities together with their associated facilities:
  - (a) Any nuclear power facility where the primary purpose is to produce and sell electricity;
  - (b) Any nonnuclear stationary thermal power plant ((with generating capacity of three hundred fifty thousand kilowatts or more, measured using maximum continuous electric generating capacity, less minimum auxiliary load, at average ambient temperature and pressure,)) and floating thermal power plants ((of one hundred thousand kilowatts or more)) suspended on the surface of water by means of a barge, vessel, or other floating platform;
  - (c) Facilities which will have the capacity to ((receive)) import or export liquefied natural gas ((in the equivalent of more than one hundred million standard cubic feet of natural gas per day, which)) that has been or will be transported over land or marine waters;
  - (d) Facilities which will have the capacity to receive more than an average of fifty thousand barrels per day of crude or refined petroleum or liquefied petroleum gas which has been or will be transported over marine waters, except that the provisions of this chapter shall not apply to storage facilities unless occasioned by such new facility construction;
  - (e) Any underground reservoir for receipt and storage of natural gas as defined in RCW 80.40.010 ((capable of delivering an average of more than one hundred million standard cubic feet of natural gas per day)); ((and))
  - (f) Facilities capable of processing more than twenty-five thousand barrels per day of petroleum or biofuel into refined products except where such biofuel production is undertaken at existing industrial facilities; and
    - (g) Any alternative energy resource.

- 1 (13) "Independent consultants" means those persons who have no 2 financial interest in the applicant's proposals and who are retained by 3 the council to evaluate the applicant's proposals, supporting studies, 4 or to conduct additional studies.
- 5 (14) "Land use plan" means a comprehensive plan or land use element 6 thereof adopted by a unit of local government pursuant to chapter 7 35.63, 35A.63, 36.70, or 36.70A RCW, or as otherwise designated by 8 chapter 325, Laws of 2007.
- 9 (15) "Person" means an individual, partnership, joint venture, 10 private or public corporation, association, firm, public service 11 company, political subdivision, municipal corporation, government 12 agency, public utility district, or any other entity, public or 13 private, however organized.
- 14 (16) "Preapplicant" means a person considering applying for a site 15 certificate agreement for any transmission facility.

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- (17) "Preapplication process" means the process which is initiated by written correspondence from the preapplicant to the council, and includes the process adopted by the council for consulting with the preapplicant and with cities, towns, and counties prior to accepting applications for all transmission facilities.
- 21 (18) "Secretary" means the secretary of the United States 22 department of energy.
- (19) "Site" means any proposed or approved location of an energy facility, alternative energy resource, or electrical transmission facility.
  - (20) "Thermal power plant" means, for the purpose of certification, any electrical generating facility ((using)) combusting any gaseous, liquid, or solid fuel ((for-distribution-of-electricity-by-electric utilities)) or using heat to create steam for the generation of electricity.
- 31 (21) "Transmission <u>pipeline</u> facility" means any of the following 32 together with their associated facilities:
  - (a) Crude or refined petroleum or liquid petroleum product transmission pipeline of the following dimensions: A pipeline larger than six inches minimum inside diameter between valves for the transmission of these products with a total length of at least fifteen miles;

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- (b) Natural gas, synthetic fuel gas, or liquefied petroleum gas transmission pipeline ((of the following dimensions: A pipeline larger than fourteen inches minimum inside diameter between valves, for the transmission—of—these—products,)) with a total length of at least fifteen miles that operates in excess of twenty percent of the specified minimum yield strength and the pipeline is used for the purpose of delivering gas to a distribution facility, except an interstate natural gas pipeline regulated by the United States federal power commission; and
- 10 <u>(c) A transmission pipeline facility may include a pipeline</u> 11 <u>carrying federally listed hazardous waste to the energy facility.</u>
  - (22) "Zoning ordinance" means an ordinance of a unit of local government regulating the use of land and adopted pursuant to chapter 35.63, 35A.63, 36.70, or 36.70A RCW or Article XI of the state Constitution, or as otherwise designated by chapter 325, Laws of 2007.
- 16 (23) "Electric utility" means an electric utility, as the term
  17 "electric utility" is defined in RCW 19.29A.010.
- 18 (24) "Proven energy technology" means any energy technology used in
  19 an energy facility offered for sale in the United States and
  20 preapproved by the council.
- **Sec. 3.** RCW 80.50.030 and 2010 c 271 s 601 and 2010 c 152 s 2 are 22 each reenacted and amended to read as follows:
- 23 (1) There is created and established the energy facility site evaluation council.
  - (2)(a) The chair of the council shall be appointed by the governor with the advice and consent of the senate, shall have a vote on matters before the council, shall serve for a term coextensive with the term of the governor, and is removable for cause. The chair may designate a member of the council to serve as acting chair in the event of the chair's absence. The salary of the chair shall be determined under RCW 43.03.040. The chair is a "state employee" for the purposes of chapter 42.52 RCW. As applicable, when attending meetings of the council, members may receive reimbursement for travel expenses in accordance with RCW 43.03.050 and 43.03.060, and are eligible for compensation under RCW 43.03.250.
- 36 (b) The chair or a designee shall execute all official <u>site</u> 37 <u>application</u> documents((<del>, contracts,</del>)) and other materials on behalf of

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the council. The chair shall manage the scheduling of all public
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    meetings necessary for site certification of an energy facility and
    preside over meetings of the council. The Washington utilities and
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    transportation commission shall provide all administrative and staff
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    support for the council. The commission has supervisory authority over
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    the staff of the council and shall employ such personnel as are
    necessary to implement this chapter. Not more than three such
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    employees may be exempt from chapter 41.06 RCW. The utilities and
    transportation commission shall serve as the fiscal agent for the
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    council, ensuring compliance with state law, and shall execute
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    <u>contracts in consultation with the council.</u> The council shall
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    otherwise retain its independence in exercising its powers, functions,
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    and duties ((and its supervisory control over nonadministrative staff
               relating to site applications.
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                                                   Membership,
    functions, and duties of the Washington state utilities and
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    transportation commission and the council shall otherwise remain as
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    provided by law.
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                      council
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    administrators, -or-their-designees, -of-the-following-departments,
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    agencies, commissions, and committees or their statutory successors:
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- (i) Department of ecology;
- 22 (ii) Department of fish and wildlife;
- 23 (iii) Department of commerce;

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- 24 (iv) Utilities and transportation commission; and
- 25 (v) Department of natural resources.
  - (b)—The—directors,—administrators,—or—their—designees,—of—the following—departments,—agencies,—and—commissions,—or—their—statutory successors, may participate—as councilmembers at their own discretion provided they—elect to—participate no—later than—sixty days—after an application—is filed:
    - (i) Department of agriculture;
- 32 (ii) Department of health;
- 33 (iii) Military department; and
- 34 (iv) Department of transportation.
- (c) Council membership is discretionary for agencies that choose to participate under (b) of this subsection only for applications that are filed with the council on or after May 8, 2001. For applications filed

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before May 8, 2001, council membership is mandatory for those agencies
listed in (b) of this subsection)):

- (i) Two members of the growth management hearings board, preferably with experience or training in energy facilities or environmental impact analyses under the state environmental policy act;
- (ii) The director, administrator, or their designee, of the department of fish and wildlife; and
- 8 <u>(iii) The director, administrator, or their designee, of the</u> 9 <u>department of ecology.</u>
  - (b) If the proposed energy facility is proposed to be sited on or across shorelines of the state, as defined in RCW 90.58.030, or forest land, as defined in RCW 76.09.020, the chair shall invite, depending on the impacts, a member from the shorelines hearings board for proposals that involve shorelines of the state and a designee from the department of natural resources for proposals that involve forest land to participate as a council member. If a member of the shorelines hearings board or a designee from the department of natural resources is invited and participates in the site certification of a proposed energy facility, that council member or designee shall serve on the council in place of one of the two growth management hearings board members.
  - (4) The appropriate county legislative authority of every county wherein an application for a proposed site is filed shall appoint a member or designee as a voting member to the council. The member or designee so appointed shall sit with the council only at such times as the council considers the proposed site for the county which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site.
  - (5) The city legislative authority of every city within whose corporate limits an energy facility is proposed to be located shall appoint a member or designee as a voting member to the council. The member or designee so appointed shall sit with the council only at such times as the council considers the proposed site for the city which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site.
  - (6) For any port district wherein an application for a proposed port facility is filed subject to this chapter, the port district shall appoint a member or designee as a nonvoting member to the council. The

- member or designee so appointed shall sit with the council only at such times as the council considers the proposed site for the port district which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site. The provisions of this subsection shall not apply if the port district is the applicant, either singly or in partnership or association with any other person.
  - (7) If the proposed energy facility is a nuclear power plant, the department of health shall appoint a designee from the department as a voting member of the council. The appointed designee shall sit with the council only at such times as the council considers the proposed site for a nuclear power plant, and the designee shall serve until there has been a final acceptance or rejection of the proposed site.
- 14 **Sec. 4.** RCW 80.50.040 and 2001 c 214 s 6 are each amended to read 15 as follows:

The council shall have the following powers:

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- (1) To adopt, promulgate, amend, or rescind suitable rules and regulations, pursuant to chapter 34.05 RCW, to carry out the provisions of this chapter, and the policies and practices of the council in connection therewith;
  - (2) To develop and apply environmental and ecological guidelines and standards in relation to the type, design, location, construction, and operational conditions of certification of energy facilities subject to this chapter;
  - (3) To establish rules of practice for the conduct of public hearings ((pursuant to the provisions of the Administrative Procedure Act, as found in chapter 34.05 RCW));
- 28 (4) To prescribe the form, content, and necessary supporting documentation for site certification;
- 30 (5) To receive applications for energy facility locations and to investigate the sufficiency thereof;
- 32 (6) To ((make-and)) enter into contracts, when applicable, for 33 independent studies of sites proposed by the applicant, subject to the 34 provisions of RCW 39.26.120;
- 35 (7) To conduct hearings on the proposed location of the energy 36 facilities;

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- (8) ((To-prepare-written-reports-to-the-governor-which-shall include: (a)-A-statement-indicating-whether-the-application-is-in compliance with the council's guidelines, (b) criteria specific to the site and transmission line routing, (c) a council recommendation as to the-disposition-of-the-application, and (d)-a-draft-certification agreement when the council recommends approval of the application;)) To approve or deny an application for site certification of a proposed energy facility;
- (9) To prescribe the means for monitoring of the effects arising from the construction and the operation of energy facilities to assure continued compliance with terms of certification and/or permits issued by the council pursuant to chapter 90.48 RCW or subsection (12) of this section: PROVIDED, That any on-site inspection required by the council shall be performed by other state agencies pursuant to interagency agreement: PROVIDED FURTHER, That the council may retain authority for determining compliance relative to monitoring;
- (10) To integrate its site evaluation activity with activities of federal agencies having jurisdiction in such matters to avoid unnecessary duplication;
- (11) To present state concerns and interests to other states, regional organizations, and the federal government on the location, construction, and operation of any energy facility which may affect the environment, health, or safety of the citizens of the state of Washington;
- (12) To issue permits in compliance with applicable provisions of the federally approved state implementation plan adopted in accordance with the Federal Clean Air Act, as now existing or hereafter amended, for the new construction, reconstruction, or enlargement or operation of energy facilities: PROVIDED, That such permits shall become effective only if the ((governor)) council approves an application for certification and executes a certification agreement pursuant to this chapter: AND PROVIDED FURTHER, That all such permits be conditioned upon compliance with all provisions of the federally approved state implementation plan which apply to energy facilities covered within the provisions of this chapter; ((and))
- 36 (13) To serve as an interagency coordinating body for energy-37 related issues:

- 1 (14) To develop standards for an expedited siting process for the 2 state of Washington, local governments, and other political 3 subdivisions of the state in relation to the type, design, location, 4 construction, operational conditions, and decommissioning of energy 5 facilities subject to this chapter; and
- 6 (15) To enter into interlocal agreements with towns, cities, and
  7 counties for the purpose of issuing site certifications for energy
  8 facilities within the geographic jurisdiction of the local government.
- 9 <u>NEW SECTION.</u> **Sec. 5.** A new section is added to chapter 80.50 RCW to read as follows:
  - (1) Beginning December 1, 2014, the council must use:
- 12 (a) Council standards as provided under Title 463 WAC for the 13 siting, construction, operation, and decommissioning of energy 14 facilities; or
- 15 (b) For issues not addressed in the standards in (a) and (d) of 16 this subsection, Oregon Administrative Rules, chapter 345, in effect as 17 of January 1, 2013, except for the following:
  - (i) Oregon Administrative Rule 345-023-0005;
- 19 (ii) Oregon Administrative Rule 345-023-0020;

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- (iii) Oregon Administrative Rule 345-023-0030;
- 21 (iv) Oregon Administrative Rule 345-023-0040;
- 22 (v) Oregon Administrative Rule 345-024-0500;
- 23 (vi) Oregon Administrative Rule 345-022-0080; and
- 24 (vii) Oregon Administrative Rule 345-022-0030.
  - (c) When Oregon Administrative Rules reference an Oregon state agency or other Oregon governmental entity, the council must identify the most equivalent Washington state agency or governmental entity and substitute the Washington agency or entity in place of the Oregon state agency or Oregon governmental entity.
  - (d) To issue a site certificate, the council, after consultation with appropriate state agencies, must find that:
- (i) For plant species that the Washington state natural heritage program has listed as threatened or endangered under chapter 79.70 RCW, the design, construction, and operation of the proposed facility, taking into account mitigation:
- 36 (A) Are consistent with the protection and conservation program, if

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any, that the natural heritage program has adopted under chapter 79.70 RCW; or

- (B) If the natural heritage program has not adopted a protection and conservation program, are not likely to cause a significant reduction in the likelihood of survival or recovery of the species; and
- (ii) For wildlife species that the Washington department of fish and wildlife has listed as threatened or endangered under RCW 77.12.020, the design, construction, and operation of the proposed facility, taking into account mitigation, are not likely to cause a significant reduction in the likelihood of survival or recovery of the species.
- (2)(a) By December 1, 2014, cities and counties must use the minimum standards in subsection (1) of this section when permitting energy facilities.
- (i) Any local government or political subdivision that is not the council, with minimum energy facility siting standards adopted prior to the effective date of this section, is exempt from the provisions of this section for as long as the existing minimum standards remain in effect. The minimum standards adopted by the local government or a political subdivision that is not the council before this section takes effect may be amended in a manner consistent with this section when permitting energy facilities applied for under this chapter.
- (ii) Any local government or political subdivision that is not the council, when determining the timeline for the environmental review of the proposed energy facility, may adjust the timeline depending on the proposed energy facility's compliance with the standards in this section. If a proposed energy facility meets the energy facility siting standards, the environmental review of the proposed energy facility must be completed within six months.
- (iii) Within one week of submitting an application to either a local government or political subdivision that is not the council, an applicant must provide notice of the application to adjacent landowners who own property located within one mile of the proposed site of the energy facility. The notice must be provided by mailing the notice to the latest recorded real property owners, as shown by the records of the county assessor.
- 37 (iv) A county, city, or town is authorized to approve an energy

facility only if its land use ordinances are in compliance with the growth management act and any order issued by the growth management hearings board.

- (b) The council and any local government in the state may enter into, and are encouraged to enter into, an interlocal agreement as provided under chapter 39.34 RCW for the purpose of authorizing the council to issue site certifications for energy facilities within the geographic jurisdiction of the local government. Any such interlocal agreements may include recognition of jurisdiction or site-specific characteristics necessary to ensure compatibility for energy facilities permitted under this chapter.
- (3)(a) An energy technology company may seek preapproval of its energy technology by submitting to the council an energy technology preapproval application to the council. The council shall impose a charge to cover necessary costs to process the preapproval application.
- (b) For each preapproval application submitted by an applicant under (a) of this subsection, the council shall develop through rule making the standards an energy technology must meet to be a preapproved energy technology. The applicant is responsible for the cost associated with the rule making and the council must collect a fee from the applicant to recover the cost of the rule making.
- (c) The council shall maintain a list of energy technologies to be granted expedited environmental review or processing under this chapter and the specific standards adopted under this subsection.
- (4) Any person may petition the council to request the adoption, amendment, or repeal of any council rule as allowed in RCW 34.05.330. Any person petitioning the council requesting the adoption, amendment, or repeal of any council rule is responsible for reimbursing the council for cost associated with adopting, amending, or repealing a rule.
- **Sec. 6.** RCW 80.50.045 and 2006 c 196 s 3 are each amended to read 32 as follows:
- 33 (1)(a) The council shall consult with other state agencies, 34 utilities, local municipal governments, public interest groups, tribes, 35 and other interested persons to convey their views to the secretary and 36 the federal energy regulatory commission regarding appropriate limits

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on federal regulatory authority in the siting of electrical transmission corridors in the state of Washington.

 $((\frac{(2)}{2}))$  (b) The council is designated as the state authority for purposes of siting <u>electrical</u> transmission facilities under the national energy policy act of 2005 and for purposes of other such rules or regulations adopted by the secretary. The council's authority regarding <u>electrical</u> transmission facilities is limited to those <u>electrical</u> transmission facilities that are the subject of section 1221 of the national energy policy act and this chapter.

 $((\frac{3}{2}))$  (c) For the construction and modification of electrical transmission facilities that are the subject of section 1221 of the national energy policy act, the council may:  $((\frac{3}{2}))$  (i) Approve the siting of the facilities; and  $((\frac{3}{2}))$  (ii) consider the interstate benefits expected to be achieved by the proposed construction or modification of the facilities in the state.

 $((\frac{4}{}))$  (d) When developing recommendations as to the disposition of an application for the construction or modification of <u>electrical</u> transmission facilities under this chapter, the fuel source of the electricity carried by the transmission facilities shall not be considered.

(2) The council shall monitor the activities of the federal energy regulatory commission and may receive notifications for energy projects located in Washington that are under the regulatory oversight of the federal energy regulatory commission. These notifications must include, but are not limited to, project filings, delegated orders, notices, and the federal energy regulatory commission decisions.

Sec. 7. RCW 80.50.060 and 2007 c 325 s 2 are each amended to read as follows:

(1)(a) Except as provided under (b) and (c) of this subsection, the provisions of this chapter apply to the construction of energy facilities which includes the new construction of energy facilities ((and the reconstruction or enlargement of existing energy facilities where the net increase in physical capacity or dimensions resulting from such reconstruction or enlargement meets or exceeds those capacities or dimensions set forth in RCW 80.50.020 (7) and (15). No construction of such energy facilities may be undertaken, except as

otherwise provided in this chapter, after July 15, 1977, without first obtaining certification in the manner provided in this chapter.

- (2)—The—provisions—of—this—chapter—apply—to—the—construction, reconstruction,—or—enlargement—of—a—new—or—existing—energy—facility that—exclusively—uses—alternative—energy—resources—and—chooses—to receive certification under this chapter, regardless of the generating capacity—of—the—project)) if the applicant chooses to receive certification under this chapter.
- ((<del>(3)</del>)) (b) Any proposed nuclear power facility in Washington, where the primary purpose is to produce and sell electricity, must apply to the council for site certification.
  - (c) Any proposed transmission pipeline facility in Washington must apply to the council for site certification.
  - (2)(a) The provisions of this chapter apply to the construction, reconstruction, or modification of electrical transmission facilities when:
  - (i) The facilities are located in a national interest electric transmission corridor as specified in RCW 80.50.045;
  - (ii) An applicant chooses to receive certification under this chapter, and the facilities are: (A) Of a nominal voltage of at least one hundred fifteen thousand volts and are located in a completely new corridor, except for the terminus of the new facility or interconnection of the new facility with the existing grid, and the corridor is not otherwise used for electrical transmission facilities; and (B) located in more than one jurisdiction that has promulgated land use plans or zoning ordinances; or
  - (iii) An applicant chooses to receive certification under this chapter, and the facilities are: (A) Of a nominal voltage in excess of one hundred fifteen thousand volts; and (B) located outside an electrical transmission corridor identified in (a)(i) and (ii) of this subsection  $((\frac{3}{3}))$  (2).
  - (b) For the purposes of this subsection, "modify" means a significant change to an electrical transmission facility and does not include the following: (i) Minor improvements such as the replacement of existing electrical transmission line facilities or supporting structures with equivalent facilities or structures; (ii) the relocation of existing electrical transmission line facilities; (iii) the conversion of existing overhead lines to underground; or (iv) the

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- placing of new or additional conductors, supporting structures, insulators, or their accessories on or replacement of supporting structures already built.
  - $((\frac{4}{1}))$  (3) The provisions of this chapter shall not apply to normal maintenance and repairs which do not increase the capacity or dimensions  $(\frac{beyond\ those\ set\ forth\ in\ RCW\ 80.50.020\ (7)\ and\ (15)}))$  of an energy facility.
- 8 <u>(4) The provisions of this chapter do not apply to an energy</u>
  9 <u>facility that previously has been approved or denied by a local</u>
  10 government.
  - (5) Applications for certification of energy facilities made prior to July 15, 1977, shall continue to be governed by the applicable provisions of law in effect on the day immediately preceding July 15, 1977, with the exceptions of RCW 80.50.190 and 80.50.071 which shall apply to such prior applications and to site certifications prospectively from July 15, 1977.
- 17 (6) Applications for certification shall be upon forms prescribed 18 by the council and shall be supported by such information and technical 19 studies as the council may require.
- NEW SECTION. Sec. 8. A new section is added to chapter 80.50 RCW to read as follows:
  - (1) Each applicant for a site certificate shall submit to the council a preliminary application for a site certificate. The preliminary application must provide information about the proposed site and the characteristics of the energy facility sufficient for the preparation of the council's notice of application requirements. The preliminary application must specify whether the proposed energy facility will comply with local land use ordinances in the jurisdiction or jurisdictions in which it is proposed.
- 30 (2)(a) The chair of the council shall provide notice to the public 31 within three working days of receiving a preliminary application. 32 Within one week of submitting a preliminary application to the council, 33 an applicant must provide notice of the application to adjacent 34 landowners by mailing the notice to the latest recorded real property 35 owners, as shown by the records of the county assessor, who own 36 property located within one mile of the proposed site of the energy

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facility. The public notice must provide a description of the proposed site and facility in sufficient detail to inform the public of the location and proposed use of the site.

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- (b) After the chair of the council provides public notice, a city, county, or regional planning authority may not change land use plans or zoning ordinances so as to affect the proposed site.
- (3) Within three working days after the chair of the council provides public notice, an applicant for a site certification shall distribute the preliminary application to any agency that has regulatory or advisory responsibility with respect to the facility and any city or county affected by the application.
- (4) No more than thirty-five days after receiving a preliminary application, the chair of the council shall issue a notice of application requirements establishing the statutes, administrative rules, council standards, local ordinances, application requirements, and study requirements for the site certificate application. The chair of the council may consider whether the proposed facility is in compliance with city, county, or regional land use plans or zoning ordinances and may specify additional requirements in the notice of application based on a review of plans and ordinances where the proposed facility is to be located.
- (5) Following issuance of the notice of application requirements, an applicant must submit an application for site certification consistent with the notice of application.
- 25 (6) The chair of the council shall determine within fifteen days of 26 submission of the application whether an application meets the 27 council's requirements.
- NEW SECTION. Sec. 9. A new section is added to chapter 80.50 RCW to read as follows:
- (1)(a) Following requirements set forth under chapter 43.21C RCW, the chair must oversee an environmental review of the proposed energy facility.
- 33 (b) After the chair of the council determines whether an 34 application meets council requirements as provided under section 8 of 35 this act, the chair shall within three working days initiate a scoping 36 process to determine the range of proposed actions, alternatives, and 37 impacts to be examined in the environmental impact statement.

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- (c) The chair of the council shall notify any agency that has regulatory or advisory responsibility with respect to the facility and any city or county affected by the application of the scoping process.
- (d) Within thirty days of initiating the scoping process, the chair of the council shall conduct a public hearing and submit scoping recommendations to the council in order for the council to establish a timeline for the environmental review of the proposed energy facility.
- (e) Within fourteen days of receiving the timeline recommendations from the chair of the council, the council must determine whether the environmental review process as required under chapter 43.21C RCW for the proposed energy facility must be completed within six months, twelve months, or longer. In determining the timeline, the council may adjust the timeline depending on the proposed energy facility's compliance with the standards under section 5 of this act. If a proposed energy facility meets the energy facility siting standards under section 5 of this act, the environmental review of the proposed energy facility must be completed within six months. The environment review for proposed energy facilities that do not meet the standards in section 5 of this act must be completed within twelve months, unless the council determines that due to the complexity of the proposed energy facility, the environmental review should be longer.
- (f) If the council establishes an environmental review process for more than six months, the attorney general shall appoint an assistant attorney general as a counsel for the environment. The counsel for the environment shall represent the public and its interest in protecting the quality of the environment. Costs incurred by the counsel for the environment in the performance of these duties must be charged to the office of the attorney general, and may not be a charge against the appropriation to the energy facility site evaluation council. The counsel for the environment must be accorded all the rights, privileges, and responsibilities of an attorney representing a party in a formal action. This section may not be construed to prevent any person from being heard or represented by counsel in accordance with the other provisions of this chapter.
- (g) Within the timeline established by the council, the chair of the council shall publish a draft environmental impact statement, solicit comments on the draft environmental impact statement, hold a public hearing on the draft environmental impact statement, consider

comments received on the draft environmental impact statement, and submit to the council a recommended final environmental impact statement. In submitting the recommended final environmental impact statement to the council, the chair shall specify whether there are any disputed items based on public input provided during the development of the recommended final environmental impact statement.

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- If there are disputed items in the recommended final environmental impact statement, the council shall hold a public hearing within fifteen days on the draft environmental impact statement under this subsection (1)(g). At the hearing, the chair shall provide a report to the council regarding the recommended environmental impact statement and regarding the disputed items in the recommended environmental impact statement. The issues that may be considered at the public hearing under this subsection are limited to those issues raised during the preliminary application process and during the environmental review process that lead to the development of the recommended environmental impact statement. The chair shall specify to the council the basis for decisions made relating to the disputed items contained in the recommended final environmental impact statement. Based on the input of the chair, the applicant, and the public at the public hearing, the council may elect to address the disputed items from the recommended environmental impact statement in the final environmental impact statement. The council shall issue the final environmental impact statement within fifteen days of the public hearing required under this subsection.
  - (ii) If there are no disputed items in the recommended final environmental impact statement, the chair shall submit to the council the recommended final environmental impact statement within fifteen days of the public hearing under this subsection (1)(g) and the council shall adopt the recommended final environmental impact statement as the final environmental impact statement.
- 32 (2) The council may contract with independent consultants to review 33 information from the public hearing and to prepare the draft and final 34 environmental impact assessments.
- NEW SECTION. Sec. 10. A new section is added to chapter 80.50 RCW to read as follows:
- 37 (1) Within fifteen days of issuing the final environmental impact

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statement, the chair of the council shall prepare and issue an initial order and draft site certification based on the final environmental impact statement.

- (2) Within fifteen days of receiving an initial order and draft site certification, the council must make a final decision on the application. The council must either approve the application and execute the draft certification agreement or reject the application for site certification. If the council fails to make a final decision, the initial order submitted by the chair becomes the final order on the fifteenth day following receipt of the initial order.
- **Sec. 11.** RCW 80.50.071 and 2011 c 261 s 1 are each amended to read 12 as follows:
  - (1) The council shall receive all <u>preliminary applications and</u> applications for energy facility site certification <u>under this chapter</u>. Each applicant shall pay such reasonable costs as are actually and necessarily incurred by the council in processing <u>a preliminary application or</u> an application.
  - (a) Each applicant shall, at the time of application submission, deposit fifty thousand dollars, or such greater amount as may be specified by the council after consultation with the applicant. Costs that may be charged against the deposit include, but are not limited to, independent consultants' costs, councilmember's wages, employee benefits, costs of a hearing examiner, costs of a court reporter, staff salaries, wages and employee benefits, goods and services, travel expenses, and miscellaneous direct expenses as arise directly from processing an application.
  - (b) The council may commission its own independent consultant study to measure the consequences of the proposed energy facility on the environment or any matter that it deems essential to an adequate appraisal of the site. The council shall provide an estimate of the cost of the study to the applicant and consider applicant comments.
  - (c) The council shall submit to each applicant a statement of such expenditures made during the preceding calendar quarter which shall be in sufficient detail to explain such expenditures. The applicant shall pay the state treasurer the amount of such statement to restore the total amount on deposit to the originally established level: PROVIDED, That such applicant may, at the request of the council, increase the

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amount of funds on deposit to cover anticipated expenses during peak periods of application processing. Any funds remaining unexpended at the conclusion of application processing shall be refunded to the applicant, or at the applicant's option, credited against required deposits of certificate holders.

- (2) Each certificate holder shall pay such reasonable costs as are actually and necessarily incurred by the council for inspection and determination of compliance by the certificate holder with the terms of the certification relative to monitoring the effects of construction, operation, and site restoration of the facility.
- (a) Each certificate holder, within thirty days of execution of the site certification agreement, shall have on deposit fifty thousand dollars, or such greater amount as may be specified by the council after consultation with the certificate holder. Costs that may be charged against the deposit include, but are not limited to, those specified in subsection (1)(a) of this section as arise from inspection and determination of compliance by the certificate holder with the terms of the certification.
- (b) The council shall submit to each certificate holder a statement of such expenditures actually made during the preceding calendar quarter which shall be in sufficient detail to explain such expenditures. The certificate holder shall pay the state treasurer the amount of such statement to restore the total amount on deposit to the originally established level: PROVIDED, That if the actual expenditures for inspection and determination of compliance in the preceding calendar quarter have exceeded the amount of funds on deposit, such excess costs shall be paid by the certificate holder.
- (3) If an applicant or certificate holder fails to provide the initial deposit, or if subsequently required payments are not received within thirty days following receipt of the statement from the council, the council may (a) in the case of the applicant, suspend processing of the application until payment is received; or (b) in the case of a certificate holder, suspend the certification.
- (4) All payments required of the applicant or certificate holder under this section are to be made to the state treasurer who shall make payments as instructed by the council from the funds submitted. All such funds shall be subject to state auditing procedures. Any

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unexpended portions thereof shall be returned to the applicant or certificate holder.

- (5)(a) Upon receipt of an application for an energy facility site certification proposing an energy plant ((or—alternative—energy resource)) that is connected to electrical transmission facilities of a nominal voltage of at least one hundred fifteen thousand volts, the council shall notify in writing the United States department of defense. The notification shall include, but not be limited to, the following:
- 10 (i) A description of the proposed energy plant or alternative 11 energy resource;
  - (ii) The location of the site;

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- 13 (iii) The placement of the energy plant or alternative energy 14 resource on the site;
- 15 (iv) The date and time by which comments must be received by the council; and
  - (v) Contact information of the council and the applicant.
  - (b) The purpose of the written notification is to provide an opportunity for the United States department of defense to comment upon the application, and to identify potential issues relating to the placement and operations of the energy plant or alternative energy resource, before a site certification application is approved. The time period set forth by the council for receipt of such comments shall not extend the time period for the council's processing of the application.
  - (c) In order to assist local governments required to notify the United States department of defense under RCW 35.63.270, 35A.63.290, and 36.01.320, the council shall post on its web site the appropriate information for contacting the United States department of defense.
- 30 **Sec. 12.** RCW 80.50.075 and 2006 c 205 s 2 are each amended to read 31 as follows:
- (1) Any person filing an application for certification of an energy facility ((or-an-alternative-energy-resource-facility)) pursuant to this chapter may apply to the council for an expedited processing of such an application. The application for expedited processing shall be submitted to the council in such form and manner and accompanied by such information as may be prescribed by council rule. The council may

- grant an applicant expedited processing of an application for certification upon finding that the environmental impact of the proposed energy facility is not significant or will be mitigated to a nonsignificant level under RCW 43.21C.031 ((and the project is found under RCW 80.50.090(2) to be consistent and in)). Review must consider compliance with city, county, or regional land use plans or zoning ordinances.
- 8 (2) Upon granting an applicant expedited processing of an 9 application for certification, the council shall not be required to:
- 10 (a) Commission an independent study to further measure the 11 consequences of the proposed energy facility ((or alternative energy 12 resource—facility)) on the environment, notwithstanding the other 13 provisions of RCW 80.50.071; nor
- 14 (b) Hold an adjudicative proceeding under chapter 34.05 RCW, the administrative procedure act, on the application.
- 16 (3) The council shall adopt rules governing the expedited 17 processing of an application for certification pursuant to this 18 section.
- 19 **Sec. 13.** RCW 80.50.085 and 2001 c 214 s 5 are each amended to read 20 as follows:
- 21 (1) After the council has received a <u>preliminary</u> site application, 22 council staff shall assist applicants in identifying issues presented 23 by the <u>preliminary application and the</u> application.
- 24 (2) Council staff shall review all information submitted and 25 recommend resolutions to issues in dispute that would allow site 26 approval.
- 27 (3) Council staff may make recommendations to the council on 28 conditions that would allow site approval.
- 29 **Sec. 14.** RCW 80.50.100 and 2011 c 180 s 109 are each amended to 30 read as follows:
- 31 ((<del>(1)(a)</del> The council shall report to the governor its 32 recommendations as to the approval or rejection of an application for 33 certification within twelve months of receipt by the council of such an 34 application, or such later time as is mutually agreed by the council 35 and the applicant.

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- (b))) In the case of an application filed prior to December 31, 2025, for certification of an energy facility proposed for construction, modification, or expansion for the purpose of providing generating facilities that meet the requirements of RCW 80.80.040 and are located in a county with a coal-fired electric ((generating [generation])) generation facility subject to RCW 80.80.040(3)(c), the council shall expedite the processing of the application pursuant to RCW 80.50.075 and shall ((report its recommendations to the governor)) issue a site certification or reject the site certification application within one hundred eighty days of receipt by the council of such an application, or a later time as is mutually agreed by the council and the applicant.
- (((2)-If-the-council-recommends-approval-of-an-application-for certification, it-shall-also-submit-a-draft-certification-agreement with the report. The council shall include conditions in the draft certification agreement to implement the provisions of this chapter, including, but not limited to, conditions to protect state or local governmental-or-community-interests-affected by the construction-or operation of the energy facility, and conditions designed to recognize the purpose of laws or ordinances, or rules or regulations promulgated thereunder, that are preempted or superseded pursuant to RCW 80.50.110 as now or hereafter amended.
- (3)(a) Within-sixty-days-of-receipt-of-the-council's-report-the governor shall take one of the following actions:
- (i)-Approve-the-application-and-execute-the-draft-certification agreement; or
  - (ii) Reject the application; or
- 28 (iii) Direct the council to reconsider certain aspects of the draft
  29 certification agreement.
  - (b)—The—council—shall—reconsider—such—aspects—of—the—draft certification—agreement—by—reviewing—the—existing—record—of—the application or, as necessary, by reopening the adjudicative proceeding for—the—purposes—of—receiving—additional—evidence.—Such reconsideration—shall—be—conducted—expeditiously.—The—council—shall resubmit—the—draft—certification—to—the—governor—incorporating—any amendments—deemed necessary upon reconsideration.—Within sixty days of receipt—of—such—draft—certification—agreement,—the—governor—shall

- either approve the application and execute the certification agreement
  or-reject-the-application. The-certification-agreement-shall-be
  binding upon execution by the governor and the applicant.
  - (4)—The—rejection—of—an—application—for—certification—by—the governor shall be final as to that application but shall not preclude submission of a subsequent application for the same site on the basis of changed conditions or new information.))
- 8 **Sec. 15.** RCW 80.50.105 and 1991 c 200 s 1112 are each amended to 9 read as follows:
- 10 ((In making its recommendations to the governor under this chapter 11 regarding)) For an application that includes transmission pipeline 12 facilities for petroleum products, the council shall give appropriate 13 weight to city or county facility siting standards adopted for the 14 protection of sole source aguifers.
- 15 **Sec. 16.** RCW 80.50.110 and 1975-'76 2nd ex.s. c 108 s 37 are each 16 amended to read as follows:
  - (1) If any provision of this chapter is in conflict with any other provision, limitation, or restriction which is now in effect under any other law of this state, or any rule or regulation promulgated thereunder, this chapter shall govern and control and such other law or rule or regulation promulgated thereunder shall be deemed superseded for the purposes of this chapter.
  - (2) The state hereby preempts the regulation and certification of the location, construction, and operational conditions of certification of the energy facilities included under RCW 80.50.060 as now or hereafter amended.
- 27 (3) For an energy facility interconnecting to an electric utility's
  28 distribution system, the application of standards and terms of a site
  29 certification by the council under this chapter only applies to the
  30 part of the facility within the geographic boundaries of the proposed
  31 facility and not to the electrical interconnection of a facility to the
  32 electric utility's distribution system.
- 33 **Sec. 17.** RCW 80.50.120 and 1977 ex.s. c 371 s 10 are each amended to read as follows:
- 35 <u>Except as provided in RCW 80.50.110:</u>

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- 1 (1) Subject to the conditions set forth therein any certification 2 shall bind the state and each of its departments, agencies, divisions, 3 bureaus, commissions, boards, and political subdivisions, whether a 4 member of the council or not, as to the approval of the site and the 5 construction and operation of the proposed energy facility.
  - (2) The certification shall authorize the person named therein to construct and operate the proposed energy facility subject only to the conditions set forth in such certification.
- 9 (3) The issuance of a certification shall be in lieu of any permit, 10 certificate or similar document required by any department, agency, 11 division, bureau, commission, board, or political subdivision of this 12 state, whether a member of the council or not.
- NEW SECTION. Sec. 18. A new section is added to chapter 80.50 RCW to read as follows:
- 15 A city and county that has approved an energy facility through a 16 local permitting process shall submit to the council within thirty days 17 of the issuance of a permit a copy of the permit and any conditions of 18 approval.
- NEW SECTION. Sec. 19. A new section is added to chapter 43.21C RCW to read as follows:
- 21 For the purposes of this chapter, the energy facility site evaluation council may choose to establish timelines related to the 22 siting of energy facilities under chapter 80.50 RCW that are shorter 23 than those required by this chapter. A town, city, or county may 24 25 choose to establish timelines related to the siting of energy facilities that are shorter than those required by this chapter if a 26 27 proposed energy facility meets the siting standards under section 5 of 28 this act.
- NEW SECTION. Sec. 20. The following acts or parts of acts are ach repealed:
- 31 (1) RCW 80.50.080 (Counsel for the environment) and 1977 ex.s. c 32 371 s 6 & 1970 ex.s. c 45 s 8;
- 33 (2) RCW 80.50.090 (Public hearings) and 2006 c 205 s 3, 2006 c 196 34 s 6, 2001 c 214 s 7, 1989 c 175 s 173, & 1970 ex.s. c 45 s 9; and

1 (3) RCW 80.50.320 (Governor to evaluate council efficiency, make 2 recommendations) and 2001 c 214 s 8.

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